

Resolution No.: 17-803
Introduced: July 9, 2013
Adopted: July 16, 2013

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: To authorize Montgomery County, pursuant to and in accordance with Chapter 20 of the Montgomery County Code, as amended, and Section 5(P)(2) of Article 25A of the Annotated Code of Maryland (2011 Replacement Volume and 2012 Supplement) to issue and sell obligations of Montgomery County in an amount not to exceed \$4,400,000 at one time or from time to time, in one or more series, as revenue bonds or limited obligations and not upon the faith and credit of Montgomery County, in order to provide funding for affordable housing projects; to provide that the County Executive may provide for the date of maturity, fix the rate or rates of interest, fix the denomination and provide for the manner of sale of such obligations; to make certain covenants with respect to the obligations; to provide that the County Executive and other County officials must take all necessary, proper or convenient action to effect the issuance, sale and delivery of the obligations; and generally to provide for and determine various matters in connection with the obligations.

Background

1. The County Executive of Montgomery County, Maryland (the "County Executive") and the County Council of Montgomery County, Maryland (the "County Council") recognize that there is a significant need for quality housing in Montgomery County, Maryland (the "County") for households of limited income. The County Council enacted the Montgomery County housing policy, codified at Sections 25B-1 *et seq.* of the Montgomery County Code, as amended, and its policy with respect to displacement of tenants from rental housing, codified at Sections 53A-1 *et seq.* of the Montgomery County Code, as amended, to address the issue of the diminishing stock of affordable housing.
2. The County has determined that it is advisable to have the option to issue obligations to finance affordable housing projects (the "Housing Project") as limited obligation certificates, subject to annual appropriation by the County Council, and not upon the faith and credit or taxing power of the County.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

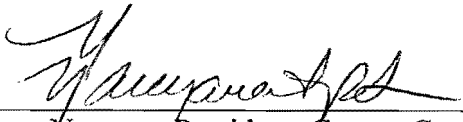
Section 1. All terms used herein with an initial capital letter shall have the meanings given such terms in the Background section of this Resolution.

Section 2. The County Council hereby authorizes the issuance, sale and delivery of limited obligation certificates (the "Housing Certificates"), subject to annual appropriation by the County Council, and not upon the faith and credit or taxing power of Montgomery County, Maryland (the "County") in an aggregate principal amount not to exceed Four Million Four Hundred Thousand Dollars (\$4,400,000) at one time or from time to time, and in one or more series, in order to provide funding for the acquisition and/or renovation of real property for the purpose of financing affordable housing projects (the "Housing Projects"), including the costs of issuance.

Section 3. The County Executive by executive order or otherwise must specify, prescribe, determine, provide for, or approve all matters, forms, documents, or procedures that the County Executive deems appropriate to effect the authorization, sale, security, issuance, delivery, and payment of or for the Housing Certificates, subject to certain limitations, and is hereby authorized to determine all matters in connection with the Housing Certificates, including but not limited to, the dates of maturity, the rates of interest, the denominations, the form of obligations and the manner of sale of the Housing Certificates.

Section 4. The members of the County Council, the County Executive, the Chief Administrative Officer of the County, the County Attorney, the Director of Finance of the County and the Clerk of the Council, for and on behalf of Montgomery County, are hereby authorized and empowered to do all things, execute all instruments, and otherwise take all such action as maybe necessary, proper or convenient to carry out the authority conferred by this Resolution, including (without limitation) the execution of certificates of the County, elections, statements and reports, subject to the limitations set forth in this Resolution.

Section 5. This Resolution shall take effect upon approval of the President for the County Council.

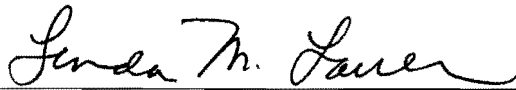


Nancy Navarro, President, County Council

7/19/13

Date

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

Affordable Housing Acquisition and Preservation -- No. 760100

Category
Subcategory
Administering Agency
Planning Area

Community Development and Housing
Housing
Housing & Community Affairs
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

January 09, 2012
No
None.
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	108,320	40,751	44,219	23,350	13,350	10,000	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	108,320	40,751	44,219	23,350	13,350	10,000	0	0	0	0	0

FUNDING SCHEDULE (\$000)

HIF Revolving Program	92,720	38,251	41,749	12,720	10,000	2,720	0	0	0	0	0
Loan Repayment Proceeds	13,100	0	2,470	10,630	3,350	7,280	0	0	0	0	0
Montgomery Housing Initiative Fund	2,500	2,500	0	0	0	0	0	0	0	0	0
Total	108,320	40,751	44,219	23,350	13,350	10,000	0	0	0	0	0

DESCRIPTION

This project provides funding for acquisition and/or renovation of properties for the purpose of preserving or increasing the county's affordable housing inventory. The county may purchase properties or assist not-for-profit, tenant, or for-profit entities, or HOC with bridge financing to purchase and renovate properties. The monies may be used to purchase properties that are offered to the county under the Right of First Refusal law or otherwise available for purchase. A portion of the units in these properties must serve households with incomes that are at or below incomes eligible for the Moderately Priced Dwelling Unit (MPDU) program. A priority should be given to rental housing.

COST CHANGE

The issuance of \$12.7 million of debt and the use of loan repayments provides continued support for the Housing Initiative Fund (HIF) Property Acquisition Revolving Program created in FY09.

JUSTIFICATION

To implement Section 25B, Housing Policy, and Section 53A, Tenant Displacement (Right of First Refusal), of the Montgomery County Code.

Opportunities to purchase property utilizing the County's Right of First Refusal arise without advance notice and cannot be planned in advance. Properties may be acquired by the County, non-profit developers, HOC or other entities that agree to develop or redevelop property for affordable housing.

OTHER

Resale or control period restriction to ensure long term affordability should be a part of projects funded with these monies.

FISCAL NOTE

Debt service will be financed by the Montgomery Housing Initiative Fund. In addition to the appropriation show below, this PDF assumes that any actual revolving loan repayments received will be appropriated in the subsequent year as displayed above. Future loan repayments are expected and will be used to finance future housing activities in this project.

APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY01	(\$000)
First Cost Estimate	FY13	108,320
Current Scope		
Last FY's Cost Estimate		92,500

Appropriation Request	FY13	13,350
Appropriation Request Est.	FY14	10,000
Supplemental Appropriation Request		0
Transfer		0

Cumulative Appropriation		84,970
Expenditures / Encumbrances		40,751
Unencumbered Balance		44,219

Partial Closeout Thru	FY10	0
New Partial Closeout	FY11	0
Total Partial Closeout		0

COORDINATION

Housing Opportunities Commission (HOC)
Nonprofit housing providers
Private sector developers

MAP